

TO: Governor's Energy Efficiency and Renewables Task Force
Administrative Model and Funding Workgroup Members

FROM: George Edgar
Kristine Euclide

DATE: May 4, 2004

RE: **Minutes from May 4, 2004 Workgroup Meeting**

Workgroup members present:

George Edgar, co-chair	Charlie Higley	Keith Reopelle
Kristine Euclide, co-chair	Chuck McGinnis	Larry Salustro
Dave Helbach	Tom Paque	

Task Force Staff present:

Paul Helgeson, PSC	Sarah Justus, DOA	John Marx, DOA
Carol Stemrich, PSC		

Stakeholders present:

Cathy Boies, CFC	Kathy Kuntz, WECC	Elizabeth Rich, E4
Greg Bollom, MGE	Jessica Kurtenbach, WECC	Ilze Rukis, WPS
Janet Brandt, WECC	Karen Meadows, ECW	Matt Tompach, DATCP
Dan Ebert, PSC	Pat Meier, DOA	Dan York, ACEEE
Steve Heins, Orion	Katie Nekola, FoE	Brian Zelenak, Xcel

The next meeting is scheduled for Tuesday, May 18th from 1:00 – 2:30 p.m. at MGE – 3rd Floor Lunchroom Annex (311 S. Blair Street., Madison).

Meeting Outcomes

1. Workgroup reviewed straw proposals from George Edgar, discussing issues of Public Benefits fund collection, agency to function as the overall program administrator and considerations for a fiscal agent versus keeping funds with the utilities until disbursement. Group reviewed memo up to page 10, agreeing that the document accurately reflects the group's discussions up to this point.
2. Group agreed that some issues may be best left to the Commission to decide as not all stakeholders are involved in the Governor's Task Force's activities. One such issue is the cap on annual payments to Public Benefits by individual residential and industrial customers.
3. Definitions for and applications of resource acquisition and market transformation strategies were discussed.

4. Workgroup created a liaison committee to work with the Energy Center of Wisconsin on the energy efficiency potential study. This group will consist of: George Edgar, Dave Helbach (or designee), Chuck McGinnis, Ilze Rukis, Larry Salustro (or designee) and Brian Zelenak. A representative from the Renewables Workgroup may also be added.

In discussing the study, the group agreed that:

- its purpose is to provide a foundation upon which the Public Service Commission can make decisions about appropriate funding levels for Public Benefits
- should include natural gas and customer-owned renewable systems.
- an upfront study issued this summer is not necessary. A summary of the utilities' research on this issue would be more helpful in the near-term with a more in-depth analysis of the state's energy efficiency potential to be completed early next year.

5. Group established the following meeting schedule for June and July:

June 1st 10-11:30 a.m.

June 15th 1-2:30 p.m.

July 6th 10-11:30 a.m.

July 20th 1-2:30 p.m.

It was noted that June 1st conflicts with an energy event and may be re-scheduled.

6. Minutes from April 6th meeting were approved.

Issues to be Addressed at Future Meetings

1. Continue discussion of George Edgar's straw proposals – from item II. Who Should Be the Program Administrators
2. Presentation on measurement and evaluation
3. Further discussion of how these straw proposals will integrate with the state's resource selection process and the energy priorities law.

Outcomes from 4-6-04 Meeting

1. Possible frameworks for the administration of Public Benefits were discussed. Potential role for the PSC may include:
 - resource need identification
 - setting of energy efficiency targets and objectives
 - establishing a budget
 - collecting money from the utilities' revenue requirement
 - overseeing the fulfillment of the energy priorities statute
2. Workgroup also discussed the role of the fiscal agent, agreeing that this entity should be a non-governmental agent and therefore not subject to Chap. 20

changes. The role of this agent would include record keeping and the disbursement of funds as directed by the PSC.

3. Minutes from March 9th meeting were approved.

Outcomes from 3-9-04 Meeting

1. The PSC should oversee the planning, budgeting, goal setting, evaluation and enforcement of the Public Benefits programs.
2. Delivery of Public Benefits services may need to vary depending on the characteristics of a customer class. Due to the homogeneity and mass-market synergies that can be captured within the residential class, group agreed that services for this class are best delivered through a statewide program.
3. Low-income program should remain as a statewide program.
4. Minutes from 2-17-04 meeting were approved.

Outcomes from 2-17-04 Meeting

1. The spending of Public Benefits funds should be linked with the PSC's resource approval process. Public Benefits efforts should be consistent with and supportive of state resource priorities and objectives.
2. DOA should retain oversight of the low-income programs.
3. Minutes from the 2-3-04 meeting were approved.
4. Suggested role definitions document distributed for use by work group.
5. Presentation by John Marx (DOA) re public benefits funding levels.

Outcomes from 2-3-04 Meeting

1. Minutes from the January 20th meeting were approved
2. Discussion during the majority of the meeting to involve workgroup members and staff. Last 15 minutes of the meeting will be reserved for comments from stakeholders present at the meeting.
3. Once workgroup has developed a preliminary proposal, it will host 2-3 forums in different areas of the state to solicit public input.
4. PSC designated as the agency to oversee utility retention of funds for Public Benefits Programs.

5. As directed by the PSC, the utilities will collect these funds through the utility revenue requirement. Municipalities and coops may opt in as under current statutes. The funds will then be transferred to a non-governmental fiscal agent.
6. Funds are to be collected from utilities through a uniform charge creating collection equity across utilities and among customers.
7. For consistency purposes, low-income program funds should be collected using the same administrative model as that for energy efficiency funds

Distribution List

- All Administrative Model and Funding Workgroup
- All Task Force Members
- Stakeholders present and/or requesting copies
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